

# Integrity in Public Procurement should not be Kept a Secret

BY DAVID GRAGAN

*The NCMA Board's Professional Standards and Ethics Committee will be publishing a series of articles on ethics to increase awareness and enrich conversations on the critical topic of ethics in acquisition. This is an article in that series. Ethical behavior is a necessary prerequisite to good acquisition processes and outcomes, just as it is in everything we do personally and professionally. While compliance with rules and regulations is a part of ensuring ethical behavior, it is just as important to do what is right even if there is no specific rule prohibiting an action. In fact, it is virtually impossible and unproductive to try to write a law or rule for every conceivable scenario any of us may face as we make business and personal judgments in diverse areas all day long. The acquisition community has been a leader in this area, with many recommendations coming from the president's Blue Ribbon Commission on Defense, also known as The Packard Commission, created in the early 1980s by Executive Order 12526, that led to the establishment of the Defense Industry Initiative (see [www.dii.org](http://www.dii.org)). A perennial issue in the implementation of this ethical framework is the appropriate balance and incentives for compliance with laws without unduly restricting good business judgments. These articles reflect the views of the authors and are not specifically endorsed by NCMA. We intend to publish these articles to further this conversation regarding various ways we can make ethical behavior an integral part of every action taken by contracting and acquisition professionals. We welcome your comments.*

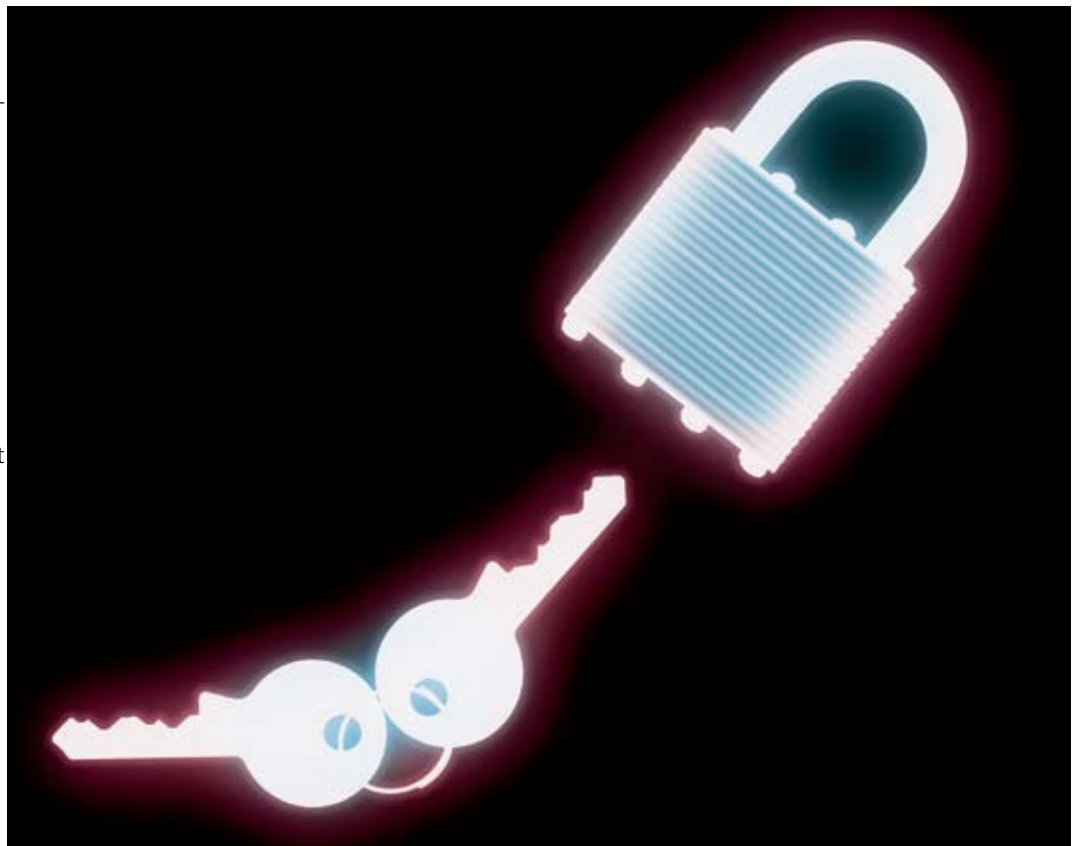
Maintaining integrity in public procurement is a crucial responsibility that must not be taken lightly. With today's economic challenges, businesses will more than likely turn up the heat with their generous marketing efforts and unsolicited

"tokens" of appreciation to public officials. That's why, as stewards of one of the most important functions in government, procurement leaders must do everything in their power to enhance integrity in public procurement and shield their organizations and personnel from any hint of impropriety. Unfortunately, the contracting function has often been accused of fraud, corruption, and abuse, with procurement leaders often left scrambling to find ways to restore trust and credibility with stakeholders in the overall effectiveness of the procurement process—the most important being the public.

Ethical lapses, whether purposeful or innocent at their core, ultimately undermine public trust in the entire procurement system.

In Washington, DC City Government, we have faced many challenges in our efforts to restore trust in a government that has been affected by scandals. While few of those scandals had a direct relationship to

procurement, the indirect impact ultimately cast a negative shadow on the entire procurement workforce. Residents saw these scandals as examples of greed, corruption, and abuse of power.



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At a time when questions surrounded the district's procurement practices, new substantive reform initiatives emerged. The central procurement office for the district government established an Office of Procurement Integrity and Compliance, which conducts audits, contract reviews, and contract compliance monitoring. Additionally, the agency partners annually with the Federal Bureau of Investigation and the district's Office of the Inspector General to deliver mandatory procurement ethics training for its entire workforce and contracting officer's technical representatives. The training provides employees with information on various aspects of contracting ethics and how to seek help in the event that they observe questionable behavior. Employees are also required to sign an affidavit each year stating that they have read, understand, and will adhere to the organization's code of ethics.

To ensure transparency, the agency is utilizing technology by posting every purchase order awarded in the last five years on its Web site, as well as all discretionary purchases made on district-issued credit cards. The agency also conducts live broadcasts, transmitted over the

Internet, of every bid opening, which allows every interested party the opportunity to view the process. Finally, the agency has undertaken the task of posting the agency's code of conduct in the offices of every contracting official authorized to obligate public funds to ensure that the message of ethics is always visible, foremost in our minds and the minds of our visitors, and cannot be lost.

While we recognize that we have come a long way, we fully understand that more needs to be done. Perception is a pretty big deal in our nation's capital. But isn't that true for each of us in our jurisdictions and agencies? As a profession, we must make every effort to ward off any attempts by the few dishonest to undermine the good work of the overwhelming majority of honest contracting professionals. Protecting the integrity of procurement takes focus and energy, but the rewards are worth every penny that we so carefully protect.

NCMA has established guidelines (available at [www.ncmahq.org](http://www.ncmahq.org)), titled, "Contract Management Code of Ethics," that can serve as a useful point of departure for any company or government agency in this area. **CM**

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#### ABOUT THE AUTHOR

**DAVID GRAGAN, CPPO**, is the director of spend management solutions for CGI, a global IT services and management consulting firm. Gragan previously managed government procurement business for Accenture and Oracle Corporation. He also directed the procurement operations for two states, Indiana and Texas. Gragan has been honored with distinguished service awards of both the National Association of State Procurement Officials and the National Institute of Governmental Purchasing.

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